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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

REPORT

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SUBJECT Miscellaneous Notes Concerning the DDR Liquid Fuel Situation

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SUPPLEMENT TO REPORT NO.

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THIS IS UNEVALUATED INFORMATION

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1. The following changes have been made in the DDR planned production of synthetic fuels and chemicals for 1952. They were drawn up by the DDR State Planning Commission:

	Former Plan (in Metric Tons)	New Plan (in Metric Tons)
Alcohol (Spiritus) including distilled and technical alcohol	58	56
Gasoline including diesel, benzol and motor oil	1,267	1,282
Solvents including acetate, butanol, methanol, ethyl benzol and acetone	125	132
Fat solids (Hartfette)	49	45

The 1952 quotas for lubricating oil and acids are to be changed also; whether they will be lowered or raised depends on the fulfillment of the 1951 quotas.

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2. DIA has been commissioned by the Ministry of Foreign and Inner German Trade to provide a new system for trading with Western countries

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Ten main traders (Leithändler) are to be commissioned to expedite deliveries of synthetic fuel

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they are also to facilitate general East-West trade, to observe and submit reports on interzonal trade, emphasizing Western imports from the DDR. In order to procure for the DDR scarce materials such as non-ferrous metal, steel and important chemicals, the traders are to be permitted to offer liquid fuels at special prices.

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This trading system is reported to be applicable to the export of chemicals from the DDR to Western countries. 50X1-HUM

3. Following the lapse of the interzonal trade agreement, Teletex has made a strong bid for interzonal trade; reportedly it collects a three per cent commission on gross sales. Sales profits are funneled into the Handelsgesellschaft Ost-West which has offices in several cities 50X1-HUM

4. Late in November 1951 Dr. (fnu) Moser founded a cover firm for illegal East-West trade with the name Ost-West Company (sic) 50X1-HUM Moser receives special support from the State Secretary for Inner German Trade, Josef Orlopp; he has received 12,000,000 DM East to use in barter trading 50X1-HUM

5. Planned liquid fuel exports during the month of December 1951 have been increased by these amounts:

	Amount in Metric Tons	Producing Plant	Destination
Technical iso-octane	1,000	Böhlen	Hungary
Diesel	1,000	Böhlen	Rex-Schulte-Frohlinde***
Diesel	1,500	Zeitz	Poland
Mittelbenzin (jet fuel)	2,200	Böhlen	Zhabinka, USSR

The increase in Mittelbenzin production is to be accomplished by a 1,500-metric-ton cutback in special gasoline production from the December 1951 Böhlen planned quota.

6. Although 1,500 tank cars were being used at the beginning of December 1951 for the import of Austrian oil, technical difficulties in Austria have prevented an increase in the rate of imports. It was reported that 120 of these tank cars were expropriated in Austria for "purposes of the occupation".

7. The tank car bottleneck in Zhabinka has not been eliminated. An average of 500 tank cars remain standing there daily.

8. An unconfirmed report has been made that 250 four-axle tank cars (with a total capacity of 63,000 liters) filled with Mittelbenzin were sent from the DDR directly to North Korea late in October 1951 50X1-HUM

Comment:

a. The ABC der deutschen Wirtschaft for 1949 lists the Rex-Mineralöl-Gesellschaft Paul Ziegler & Co., GmbH, Gelsenkirchen-Buer. Available reference material does not list a subsidiary at Frohlinde.

b. Cannot be identified from available reference material.

c. The Berlin telephone directory for 1951 lists the Continentale Mineralöl-Handelsgesellschaft mbH, Berlin-Wilmersdorf, Hohenzollerndamm 42a-44a.

Comment: Cannot be identified from available reference material. 50X1-HUM

*** Comment: This is a barter deal against which Rex-Schulte-Frohlinde procures for the DDR rubber cables (for construction elevators).

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